

W-01917A-14-0313



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ARIZONA CORPORATION COMMISS
RECEIVED
UTILITY COMPLAINT FORM

2014 SEP 29 A 10:26

Investigator: Jenny Gomez

Priority: Respond Within Five Days

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Opinion No. 2014 - 118934

Date: 9/26/2014

Complaint Description: 08A Rate Case Items - Opposed
N/A Not Applicable

ORIGINAL

Complaint By: First: Donald & Donna Last: Welch

Account Name: Donald & Donna Welch

Street:

Work:

City: Dragoon

CBR:

State: AZ Zip: 85609

is:

Utility Company: Dragoon Water Co.

Division: Water

Contact Name:

Nature of Complaint:

DOCKET NO. W-01917A-14-0313

Arizona Corporation Commission

DOCKETED

Dragoon, Arizona
September 23, 2014

SEP 29 2014

Arizona Corporation Commission
400 W. Congress, Ste 218
Tucson, AZ 85710

DOCKETED BY

People,

Customers of the Dragoon Water Company received an undated and un-postmarked Customer Notification of a water rate increase of 65% sometime between September 1 and September 15, 2014. Comments were to be made within 15 days of receipt of this notice. This leaves the comment period pretty much open.

The application by the Dragoon Water Company should be flatly rejected as being submitted without adequate justification. Their notice stated that the financial information upon which these increases were based had not been audited. Creative bookkeeping does wonders for rate increase justification.

When the DWC re-submits the application with adequate financial justification there should be a coment period of not less than 30 days. After this comment period, adequate public hearings should be held in Dragoon. There should be a minimum of two meetings. One of these meetings should be during reasonable daytime hours and one during reasonable non-work hours.

The first consideration to be made by the Arizona Corporation Commission should be the outrageous meter fees. Most of the residential customers are using 5/8"x3/4 water meters. These meters can be purchased for between \$35 and \$50 without fittings depending on the brand. The \$50 meter can be replaced for \$95 with new fittings.

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Replacement of these meters should be no more than \$150 at \$50 per hour for three hours done out of Tucson to include travel time, labor and equipment.

We have been paying meter fees since they went into effect August 30, 2002 just over twelve years ago - 144 months. The fees during that period add up to \$4608. Deducting the meter reading fee charged by the management company leaves about \$2800 for operation, maintenance and replacement of these meters.

With the present meter fees over the 12 year period, we have paid OM&R cost over one time per year or twelve times since August, 2002 with no OM&R expenditures. There is no economic reason for any increase in 5/8"x3/4" meter fees for the next 12 years.

If I read the chart on page P-11 correctly, the DWC will charge an additional \$600 if a 5/8"x3/4" meter needs to be replaced. This is an excessive fee since a reasonable fee would be about \$150 and has been paid many times over through existing fees.

The possibility is that the same ratios would apply to other meter sizes.

Water rates are another matter. The average annual, national, water consumptive use per person is 150 gallons per day. The average person on the DWC generally uses about one third that amount or about 50 gpd, some using much less. The 3000 gallon use rate appears to be an acceptable breaking point for the lower end users. Those households using up to 3000 gallons per month or less should not be punished by having a \$2.00 per thousand gallon increase. They are using 1/3 the national average per capita rate.

The higher use customers should bear the brunt of any rate increases.

The commission should bear in mind that this is not Apple/MacIntosh they are dealing with. This is an essential monopoly utility. The DWC should be permitted a reasonable profit, but rate increases should be considered only upon documented and audited fiscal information. This fiscal information must assure that rate increase justifications are not based on grossly inflated OM&R and management costs.

Sincerely,
Donald and Donna Welch

Dragoon, AZ 85609
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Noted and filed for the record in Docket Control.
End of Comments

Date Completed: 9/26/2014

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